

Mike Capuano
Democrat for Congress

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August 24, 1998

Ms. Pat Sheppard, Senior Reports Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RE: ID #C08336388; July Quarterly Report

Dear Ms. Shepard:

Per our telephone conversation of August 14, 1998, I am writing in response to your letter dated August 11, 1998. In that letter, the Commission raised a question concerning the source of the funds reported, in the above-referenced report, as loans from the candidate.

As I stated during our conversation, I did review Commission regulations and concluded that said funds qualified as "personal funds". The factors considered were as follows:

1. With the exception of the loan amounts itemized on Schedule A, Line 13(a) for dates 04/04/98 (\$9,000.00) and 05/12/98 (\$6,650.00), all such loans reflect purchases made on behalf of the campaign directly from the "personal funds" of the candidate, either cash, personal check, or credit card. All of said purchases have been itemized in Schedule B.
2. With respect to the loan amount itemized on Schedule A, Line 13(a) for date 04/04/98 (\$9,000.00), this reflects a deposit made to open up the campaign checking account. Said deposit was in the form of a check drawn on the home equity account of the candidate.
3. With respect to the loan amount itemized on Schedule A, Line 13(a) for date 05/12/98 (\$6,650.00), this reflects a deposit for the campaign's telephone lines. Said deposit payment was likewise in the form of a check drawn on the home equity account of the candidate.
4. With respect to the home equity account, the candidate owns his home with his wife and has since the late 1970's. Said account has been in place since the early 1980's and has been used for a variety of personal purposes, certainly prior to and other than the current campaign. Said account was not initiated for the purpose of funding said campaign and neither contemplates nor precludes such use. As is typically the case with such accounts, it is an unrestricted general use account, similar to a personal checking account, and subject primarily to the balance available. Finally, the amounts so tendered are substantially less than 50% of the total amount available under the account. Consequently, said account constitutes "personal funds" under, and otherwise complies with, the provisions of 11CFR sec. 110.10.